



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0042	Title:	Forest management program for FWP land
Primary Sponsor:	Vincent, Chas	Status:	As Amended

- | | | |
|---|--|---|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>	<u>FY 2012</u> <u>Difference</u>	<u>FY 2013</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$120,000	\$120,000	\$150,000	\$150,000
Federal Special Revenue	\$30,000	\$30,000	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$100,000	\$100,000	\$150,000	\$150,000
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

Implementation of this legislation will establish an account for the revenue generated from timber sales that will be used to develop and implement forest management and habitat improvement projects in state parks (SP), fishing access sites (FAS), and wildlife management areas (WMA).

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks (FWP)

1. The Department of Fish, Wildlife and Parks (FWP) will utilize contracted services to develop and implement forest management and habitat improvement projects in SP, FAS, and WMA.
2. For development, FWP assumes that one SP project will be developed annually at a cost of approximately \$10,000; and two FAS and WMA projects will be developed annually at a total cost of approximately \$40,000. In FY 2010 and FY 2011, state parks, general license, and federal dollars would be used to fund

- project development. In FY 2012 and beyond, revenue generated from the sale of timber would be used for this purpose.
3. For implementation, FWP assumes that logging contracts will cost \$100,000 per year. Revenue generated from the sale of timber will be used to fund logging contracts.
 4. Revenue from the sale of timber will be deposited in the account created in new Section 2 of HB 42. FWP assumes that approximately \$100,000 of revenue will initially be generated annually from these projects in FY 2010 and FY 2011. In FY 2012 and 2013, this amount would increase to \$150,000.
 5. In FY 2012 and beyond, the revenue generated will fund both the development and implementation of the forest management projects.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$150,000	\$150,000	\$150,000	\$150,000
TOTAL Expenditures	\$150,000	\$150,000	\$150,000	\$150,000
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)				
State Parks	\$10,000	\$10,000	\$0	\$0
General License	\$10,000	\$10,000	\$0	\$0
New SSR Account	\$100,000	\$100,000	\$150,000	\$150,000
Federal Special Revenue (03)	\$30,000	\$30,000	\$0	\$0
TOTAL Funding of Exp.	\$150,000	\$150,000	\$150,000	\$150,000
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$100,000	\$100,000	\$150,000	\$150,000
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
TOTAL Revenues	\$100,000	\$100,000	\$150,000	\$150,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$100,000	\$100,000	\$150,000	\$150,000
Federal Special Revenue (03)	(\$30,000)	(\$30,000)	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date

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Dedication of Revenue 2011 Biennium
HB 42 Forest Management Fund

17-1-507-509, MCA.

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**

Secondary beneficiaries of the forest management account would be persons who do not pay for hunting, fishing, or parks privileges but would appreciate the forest management efforts of the department.

- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**

The forest management account would be earmarked by the legislature for specific purposes. In order to provide appropriate accountability, separate special revenue funds are needed.

- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**

Initially, the department will provide "seed" money to initiate the program. Thereafter, the revenue generated from timber sales will determine the scope of forest management projects.

- d) **Does the need for this state special revenue provision still exist? ☒ Yes ☐ No (Explain)**

In order to provide appropriate accountability, a separate special revenue fund is needed.

- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**

No. No expenditures can be incurred by the agency unless the legislature has approved appropriation authority.

- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**

If HB 42 passes, the legislature has recognized the need for a forest management account. This fund will allow the agency to appropriately account for the funds.

- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**

Auditing efficiencies include a clear audit trail to support the non-diversion clause of state and federal statutes. It also provides appropriate and efficient accountability to our users.

Fiscal note prepared by:

Sue Daly

Agency:

Fish, Wildlife and Parks

Phone number:

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